

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, Joseph T. Kelliher,
and Suedeem G. Kelly.

PJM Interconnection, L.L.C.
Midwest Independent Transmission
System Operator, Inc.

Docket No. ER04-375-022

PJM Interconnection, L.L.C.
Midwest Independent Transmission
System Operator, Inc.

Docket No. ER04-521-014

PJM Interconnection, L.L.C.
American Electric Power Service Corporation

Docket No. ER04-1072-004

Commonwealth Edison Company and
American Electric Power Service Corporation

Docket Nos. ER04-364-000,
ER04-364-001 and
ER04-364-009

PJM Interconnection, L.L.C.
American Electric Power Service Corporation

Docket No. EL04-138-004

ORDER APPROVING UNCONTESTED PARTIAL SETTLEMENT

(Issued June 24, 2005)

1. On April 25, 2005, American Electric Power Service Corporation, on behalf of certain operating companies of the American Electric Power System (AEP)¹ submitted a partial settlement between AEP and International Transmission Company (International Transmission) in the above proceedings.

¹ Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, and Wheeling Power Company.

2. This settlement resolves all issues between AEP and International Transmission relating to AEP's obligation to hold International Transmission harmless from the adverse impacts of loop flows and congestion resulting from AEP's choice to join PJM Interconnection, L.L.C. rather than the Midwest Independent Transmission System Operator, Inc.² No comments concerning this settlement were filed. On June 7, 2005, the presiding judge certified this settlement to the Commission for its approval.³ This settlement is partial because other parties remained in this litigation; however, it is a complete resolution as to AEP and International Transmission.⁴

3. The settlement is in the public interest and is hereby approved. The Commission's acceptance of this settlement does not constitute approval of, or precedent regarding, any principle or issue in these proceedings. Refunds and payments shall be made pursuant to this settlement. The Commission retains the right to investigate the rates, terms, and conditions of this settlement under the just and reasonable and not unduly discriminatory or preferential standard of section 206 of the Federal Power Act, 16 U.S.C. § 824e (2000).

² See, e.g., *Commonwealth Edison Co. and American Electric Power Service Corp.*, 106 FERC ¶ 61,150 at P 2-10 (2004), *reh'g pending* (Rejection Order). This order rejected the December 31, 2003 hold harmless proposal for compensation to utilities in Michigan and Wisconsin, submitted jointly by AEP and Commonwealth Edison Company (ComEd), which, similarly, was obliged to pay hold harmless compensation as a consequence of joining PJM. ComEd reached settlements with all the eligible utilities in Michigan and Wisconsin, which the Commission has approved. See *PJM Interconnection, L.L.C. and Midwest Independent Transmission System Operator, Inc.*, 109 FERC ¶ 61,228 (2004) and *PJM Interconnection, LLC and Midwest Independent Transmission System Operator, Inc.*, 110 FERC ¶ 61,015 (2005). AEP reached settlements with all the eligible Wisconsin utilities, which the Commission approved on March 7, 2005. See *PJM Interconnection, L.L.C. and Midwest Independent Transmission System Operator, Inc.*, 110 FERC ¶ 61,256 (2005).

³ *PJM Interconnection, LLC and Midwest Independent Transmission System Operator, Inc.*, 111 FERC ¶ 63,058 (2005). The presiding judge limited his certification to the proceedings before him, *i.e.*, those deriving from Docket Nos. ER04-375-002, ER04-521-001, ER04-1072-000, and EL04-138-000. Additionally, he cited the parties' intention that this settlement resolve hold harmless issues between them deriving from Docket No. ER04-364-000, the Rejection Order, and other dockets where International Transmission raised these issues. *Id.* at P 2.

⁴ The other remaining parties have also reached settlement with AEP, and we are approving that settlement in a separate order.

4. This order terminates Docket Nos. ER04-375-022, ER04-521-014, ER04-1072-004, EL04-138-004, and ER04-364-009. It also terminates the portions of Docket Nos. ER04-1072-000, ER04-364-000, ER04-364-001, and any other dockets in which International Transmission has raised a hold harmless compensation claim with respect to AEP's obligations to International Transmission.

By the Commission.

(S E A L)

Linda Mitry,
Deputy Secretary.